[English]

Revival of Textile Mills of Ahmedabad

570. SHRI HARIN PATHAK : Will the Minister of TEXTILES be pleased to state:

(a) whether the Government of Gujarat in consultation with the Textile Labour Association has submitted a project called 'Ahmedabad Project' for rejuvenation and revival of some 14 textile mills in Ahmedabad against a provision of 150 crore for revival of Ahmedabad Textile Mill in the Central Budget;

(b) if so, the details of the project;

(c) whether the project was accepted;

(d) if not, the reasons therefor; and

(e) the steps taken/being taken for revival of these mills?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) No, Sir.

(b) to (e) Do not arise.

Exemption on Income-Tax on Interest of N.S.S.

571. SHRI PRITHVIRAJ D. CHAVAN : Will the Minister of FINANCE be pleased to state:

(a) whether interest on the deposits under N.S.S. (1992) Scheme is exempted from Income-tax or is it liable to tax with facility under Section 80-L;

(b) whether the amount of deposit under N.S.S. (1992) is exempted from income-tax at the time of withdrawal on maturity; and

(c) whether on the analogy of N.S.S. (1987) Scheme, the nominee or legal heir of the Account-holder of N.S.S. (1992) is exempted from tax liability on the death of the Account-holder as in the case of N.S.S. (1987) Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Interest on deposits under National Savings Scheme contained in the National Savings Scheme Rules, 1992 is taxable under the Incom-tax Act, 1961. The provision of Section 80L of Income Tax act, 1961 is applicable in respect of such interest.

(b) Amount of deposit under National Savings Scheme, 1992 is exempted from Income-tax at the time of withdrawal on maturity. Only interest on the deposit is taxable income under Income Tax Act, 1961.

(c) National Savings Scheme Rules, 1992 provides that if the nominee or legal heir receives the interest on deposit on which the deceased would have been liable to pay tax had he not died, the nominee or legal heir shall be liable to pay tax on the same.

Vysya Bank Ltd.

572. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned "It took 17 years for acquittal of four accused in bank fraud" appearing in the Times of India dated July 26, 1997;

(b) if so, the action taken by the Government in the matter;

(c) whether frauds committed in the Vysya Bank Ltd. could have been avoided had the senior officers in the bank been little vigilant;

(d) if so, the action taken by the bank against the officers who failed to be vigilant;

(e) whether none of the officer who issued cheque books, and cleared the bogus cheques on fake signatures/ documents have not yet been chargesheeted though more than two years have passed; and

(f) if so, the reasons therefor and by when the bank propose to issue chargesheets to those officers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Government have seen the news-item referred to in the Question.

(b) to (f) The information is being collected and will be laid on the Table of the House.

Impact of Fifth Pay Commission Report

573. SHRI SUSHIL CHANDRA : Will the Minister of FINANCE be pleased to state:

(a) the financial burden on the Union Government due to the acceptance of the recommendations of the Fifth Pay Commission during 1997–98 and the next three years and the scheme formulated to meet this financial burden;

(b) whether it has been ensured that additional increase in the salary would not have adverse impact on the core sector such as Primary Education. Health and Rural Development etc;

(c) if so, details thereof;

(d) the details of State Governments which give pay scale to their employees at par with the Union Government employees;

(e) whether any scheme has been formulated to meet the additional financial burden on the State Governments caused by the acceptance of the recommendations of the Pay Commission and to ensure that the infrastructure of the States do not affect adversely; and

(f) if so, the details thereof and the steps taken by the Government to meet the requirement of the States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) (a) to (c) The additional annual expenditure due to the acceptance of the recommendations of the Fifth Central Pay Commission is estimated at Rs. 10200 crores. In addition, arrears to the extent of Rs. 4800 crores are estimated to be paid in 1997–98 and Rs. 3500 crores in 1998–99. An amount of Rs. 11250 crores has already been provided in BE 1997–98 and a further sum of Rs. 3750 crores is being provided in RE 1997–98. Additional funds are being provided through savings by an overall cut of 5% on Plan and Non-Plan expenditure and through additional resource mobilisation.

(d) to (f) The subject of salaries of the employees of the State Governments falls under State List. Thus, it is for the respective State Governments to consider whether they intend to give pay scales to their employees at par with Union Govt. employees or not. It is also for the respective State Governments to raise additional funds on that account, if necessary.

Income Tax Act, 1974

574. SHRI SURESH R. JADHAV : Will the Minister of FINANCE be pleased to state:

(a) whether some deposits made under compulsory Deposit (Income-Tax Payers) Act, 1974 (now repealed on 1.4.96) are still lying with the deposit offices;

(b) if so, the total amount of these unclaimed deposits still lying with the Government; and

(c) the mode in which Government propose to us this amount which is not withdrawn by the depositors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (c) The outstanding balance held under the Compulsory Deposits (Income Tax Payers) Scheme with the various Banks as on 30.6.1997 was about Rs. 65.66 crore. Reserve Bank of India has already advised all the banks to write to the depositors individually to withdraw their outstanding deposits.

[Translation]

Metallic Yarn Industry

575. PROF. RASA SINGH RAWAT : Will the Minister of FINANCE be pleased to state:

(a) the names of industries included in the category of small industries and the efforts made by the Government to promote them;

(b) whether the Government have received any memorandum from various organisations on the products of metallic yarn;

(c) if so, the details thereof;

(d) whether the Government have provided concessions to metallic yarn industry by including it in the category of small industry;

(e) if so, the time since when the orders in this regard have been implemented and the details of concessions provided as per the orders and the time since when;

(f) whether the income tax officers are realising the outstanding amount from metallic yarn industry despite the orders; and

(g) if so, the steps being taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Small Scale Industry includes an industrial undertaking in which investment in fixed assets in plant & machinery whether held on ownership terms or on lease or by hire purchase does not exceed Rs. 60 lakhs and investment limit in plant & machinery for ancillary units is Rs. 75 lakhs.

821 items are presently reserved for production in small scale sector. Any other items in addition to reserved items may also be manufactured in small scale sector.

Some of the incentives provided to small scale industries are

(i) Land, building and other infrastructure facilities in identified areas.

(ii) Concessional rate of excise duty upto specificed turnover limits.

(iii) Preference in Central Government purchase programme.

In addition State Governments may give incentives as per their industrial policy.

(b) and (c) No, Sir.

(d) and (e) All small scale industrial units including metallic yarn units can avail the incentives as mentioned in (a) above.

(f) and (g) Information is being collected and will be laid on the Table of the House.